

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6787

BILL NUMBER: HB 1086

NOTE PREPARED: Dec 30, 2009

BILL AMENDED:

SUBJECT: Property and local income taxes.

FIRST AUTHOR: Rep. Welch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☐ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: Pending

Summary of Legislation: Specifies that the use of a cash balance to reduce a property tax rate does not reduce a civil taxing unit's maximum permissible levy. Permits an individual to receive both a senior citizen property tax deduction and a supplemental standard deduction. Requires payment of certain delinquent property taxes before removing property from the tax sale list or allowing a person to record a plat of a subdivision or a transfer of real property. Changes deadlines for filing amended personal property tax returns, filing a rehabilitation property tax deduction application, and adopting changes in local income taxes. Permits surplus property taxes imposed to pay police and fire pension obligations from the 1925 fund, 1937 fund, or 1953 fund to be used to pay the administrative expenses of the fund or to pay for the costs of health benefits of the beneficiaries of the fund. Permits townships and fire districts to receive distributions from a public safety local option income tax. Permits fire protection territories to delay part of an increase in property taxes for up to three years and to maintain reserves of up to 50% of its operating budget. Requires surplus local option income tax revenue to be used as property tax replacement credits. Provides that the maximum term of certain bonds begins from the date of issuance. Defines the term "mobile home community" for the purposes of the property tax laws. Corrects references to the definition of homestead, removes references to obsolete administrative rules related to inventory, and makes other technical changes property tax laws.

Effective Date: Upon passage; March 1, 2008 (retroactive); January 1, 2009 (retroactive); January 1, 2010 (retroactive); May 15, 2010 (retroactive); July 1, 2010; January 1, 2011.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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